

October 6, 1983

CONGRESSIONAL RECORD — Extensions of Remarks

E 4857

SUMMARY

This white paper describes the evolution of the Army family: its history, present status, and future. It is the first time that information about the Army family has been systematically gathered and consolidated. In that regard, this paper is only the first step of our needs assessment. Future months will be devoted to a continuing analysis in needs and the development of solutions. It will be a time-consuming process; but, given the long history of the Army family and the piecemeal planning to date, our time will be well spent. The Army will articulate a well conceived strategic plan for the Army family.

It is important the Department of the Army proceed to implement and institutionalize the programs, plans, and other solutions identified through our needs assessment. However, this plan will not work if it is fed only by Department of the Army initiatives. Each component of the Army, be it unit, installation, or activity, and all members of the Army community—active duty, civilian, reservist, or family member—must understand and embrace the philosophy articulated in this paper. All need to contribute to make it a reality.

This plan envisions family members as true partners in an Army which is seen as a way of life, not a job. The family responsibility in this partnership is to support soldiers and employees and participate in building wholesome communities. The Army's responsibility is to create an environment where families and family members prosper and realize their potential. Each of us has a part to play in this partnership. ●

LEGISLATION TO MAKE CERTAIN DEBTS FOR MEDICAL BENEFITS PAYABLE TO RETIRED EMPLOYEES NONDISCHARGEABLE IN CHAPTER 11 BANKRUPTCY PROCEEDINGS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 6, 1983

● Mr. FEIGHAN. Mr. Speaker, today I am introducing legislation that I believe is much needed and long overdue to aid retired employees retain medical benefits—bargained for and relied upon—when a corporation reorganizes under chapter 11 of the Bankruptcy Code.

Under the Bankruptcy Code as currently constituted, employees who have retired because of age or disability too often find themselves victims in the reorganization of the company they worked for in the scramble by creditors to get a share of what remains of the old entity.

Because medical benefits as part of collective bargaining agreements are currently dischargeable upon the reorganization by the company, too often, these retirees find their legitimate expectations of long-term health coverage shattered—they are too often left unprotected with no way to enforce the rights they worked for and relied upon. These employees find that the Bankruptcy Code can be used as a hammer to crush the security of their livelihoods at a time when their legiti-

mate needs for health care are the greatest. Particularly for older employees, even if they have modest savings and pensions, finding medical coverage is extremely difficult. Because of their age or disabilities, they are virtually uninsurable. If they are fortunate enough to find an insurance carrier who will provide coverage, the cost is always astronomical.

I am concerned that retirees who have worked a lifetime in the good faith belief that after retirement their health insurance benefit program would continue, are simply cast by the wayside in the rubble of a reorganization in bankruptcy, because the courts have construed the present provisions of the Bankruptcy Code to permit companies to discharge their obligation to their employees and terminate these medical benefits. What is left for the retiree is too often only a questionable and often worthless general unsecured claim against the bankrupt estate.

The legislation I am introducing today does not create any rights for a retiree that were not already earned. It simply clarifies the Bankruptcy Code to make it clear to companies using chapter 11 as a tool to get out from under existing obligations to its former employees that they will not be allowed to disrupt the legitimate expectations of their elderly and retired employees to receive the medical benefits they earned and that they deserve.

While I am sympathetic to the need to maintain flexibility in the Bankruptcy Code to encourage the legitimate reorganization of companies facing financial trouble, I strongly believe that it is unconscionable to allow such reorganizations without providing some mechanism to allow those who worked for the earned medical benefits to attempt to make sure those benefits are continued even though a reorganization is taking place.

Simply stated, my bill provides only that such companies filing for chapter 11 are not discharged from any debt for a contribution to an employee benefit plan to the extent that the contribution was to provide medical benefits to retired employees.

The change in the Bankruptcy Code created by my bill is limited only to medical benefits earned by employees who retired because of age or disability before the filing of the bankruptcy by the company. This is a narrow amendment to the Bankruptcy Code, but one that I believe will provide enormous relief to the thousands of retirees faced with the spectre of losing all medical protection because the company they worked for is reorganizing, dashing their expectations that the company would honor the commitment it made to them to protect them when they became old or disabled and had to retire.

I believe that this legislation goes a long way toward helping those employees enforce their rights to medical

benefits, and I urge my colleagues' support.

Thank you, Mr. Speaker.

H.R. —

A bill to amend title 11 of the United States Code to provide that in cases under chapter 11 of such title certain debts for medical benefits payable to retired employees shall not be dischargeable

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 523 of title 11, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) A discharge under section 1141 of this title does not discharge a debtor from any debt for a contribution to an employee benefit plan to the extent such contribution is for the purpose of providing medical benefits to employees who because of age or disability terminate employment before the order for relief."

SEC. 2. Section 1141(d)(2) of title 11, United States Code, is amended by inserting before the period the following: "and does not discharge any debtor from any debt excepted from discharge under section 523(e) of this title". ●

CONGRESSIONAL REVIEW OF AGENCY RULES AND REGULATIONS

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 6, 1983

● Mr. KRAMER. Mr. Speaker, today I am introducing legislation I have been working on for some months designed to provide for systematic congressional review of agency rules and regulations, and to be in compliance with the bounds established by the Supreme Court in its ruling in *Immigration and Naturalization Service against Chandha*.

Basically, the bill is designed to establish a framework for legislative review of proposed agency rules and regulations and to provide a mechanism for expedited disapproval of those rules to which Congress objects through the use of joint resolution. Generally, the bill:

Mandates a 90-day report and wait period for all rules proposed by Federal agencies, with certain identified exceptions.

Provides for joint resolution of disapproval during the 90-day report and wait period. Upon passage and favorable mandated action, the agency's authority to implement the regulation is repealed. Absent passage of the disapproval resolution, the regulation or rule automatically takes effect.

Charges each standing committee with designating one subcommittee as having responsibility for reviewing all agency regulations which come within the legislative and oversight jurisdiction of that committee.

Establishes procedures to insure that the full committee takes action on resolutions of disapproval which are approved by the oversight subcom-

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mittee, including automatic discharge from further consideration in the event the committee fails to act.

Creates a resolutions on regulations calendar for consideration of disapproval resolutions and establishes times when it shall be in order for a Member to call up a resolution.

For a number of years I have been concerned about excessive regulation which saps the life out of our economy, and robs the Congress of its power to legislate; and in past Congresses have introduced legislation to streamline the review process. Prompted by the Supreme Court ruling, I redrafted my previous legislative veto legislation to comply with that ruling.

I am encouraged by recent articles in the press and elsewhere, as well as by the introduction of similar legislation that indeed, Congress can and should regain its appropriate role of oversight. Moreover, I believe that it can be accomplished in broad legislation, and not simply by a piecemeal ap-

proach. The concept of a report and wait period, a special regulations calendar, and joint resolution language which complies with the Supreme Court ruling, is an idea whose time has come, and I urge its adoption.●

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Resolution for printing extra copies, when presented to either House, shall be referred immediately to the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate, who in making their re-

port, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U.S. Code, title 44, sec. 703).

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